

Utah State Division of Finance  
Credit Card Payments  
Implementation Checklist for State Agencies

Items on this checklist should be completed or addressed before an agency accepts credit card payments. Please return a copy of this completed checklist to the State Division of Finance, Attention: Payment Reconciliation Accountant (phone 538-3126).

**This checklist was completed by:** \_\_\_\_\_ **Title:** \_\_\_\_\_ **Phone:** \_\_\_\_\_

**Agency Name:** \_\_\_\_\_ **Division:** \_\_\_\_\_ **Program(s):** \_\_\_\_\_

Item #	Item Description	Initial and Date When Completed
1.	<p>Read and become familiar with the Revenues-Credit Cards (FIACCT 07-08.00) and Revenues-Electronic Payment Fees (FIACCT 07-11.00) Accounting Policies and Procedures.</p> <p>Our agency/division/program agrees to follow all policies and procedures as set forth in the above noted policy.</p> <p>Signed: _____</p>	
2.	<p>Attach a list of the revenue coding blocks for which credit cards will be accepted. Include the following information for each revenue stream:</p> <p>Fund _____ Agency _____ Org _____ Appr Unit _____ Revenue Source Code _____</p> <p>Notify State Finance if more revenue streams are added in the future.</p>	
3.	<p>Contact Debra Morris at Wells Fargo Merchant Services so she can explain the use of credit cards. She can be contacted at 801-593-8018.</p>	
4.	<p>Determine which bank account will be used for credit card payments. For the most part your current bank account can be used. <i>If you expect a large number of transactions for more than one credit card per day and more than one location for each credit card you may want to call the State Treasurer's office (538-1042) and discuss the possibility of having a new bank account set up.</i></p> <p>Check one:</p> <p><input type="checkbox"/> The current department bank account will be used. This is bank account number _____ at _____ (financial institution).</p> <p><input type="checkbox"/> A new bank account is being established through the State Treasurer's Office to handle the credit card payments. This bank account number is _____ at _____ (financial institution). The person who will reconcile this account is _____ phone number _____.</p>	

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5.	<p>Determine which credit card types your agency will accept and estimate the cost of credit card fees. In making this decision the following information is given:</p> <ul style="list-style-type: none"> <li>• Credit card transactions are credited to the bank account <u>separately</u> by the card type – Visa/MasterCard (one combined daily amount), Discover, American Express, Diners Club etc. The daily total of each <u>separate</u> card type will post to the bank account anywhere from one to five days after the transaction actually occurs depending on the card type and whether the transaction is processed before the daily cut off time.</li> <li>• There is one processing fee per transaction for each credit card. Wells Fargo Merchant Services may charge additional fees for capturing transactions for Discover and American Express. The processing fees are charged by the bank that handles the transactions and are charged separate from the discount fees.</li> <li>• There is a discount fee for Discover of 1.46 percent of the monthly gross amount of credit card transactions.</li> <li>• There is a discount fee for American Express of 2.25 percent of the monthly gross amount of credit card transactions.</li> <li>• The discount fee for Visa and MasterCard varies according to how the transaction is processed (swiped, over the phone, or over Internet). The discount fees range from lowest to highest rates in the order listed above. Also, be aware that any transaction processed after the cut off time is at a higher rate. The combined average discount fee for Visa or MasterCard should be less than 2 percent.</li> <li>• The fees are debited directly to the bank account in the first of the following month (e.g. fees for January payments received are charged the first few days of February).</li> <li>• It is important to do a check periodically to make sure the discount fees look fairly accurate. This can be done by taking the total fee charged on the monthly merchant statement and dividing it by the total dollar value of transactions for that period.</li> </ul> <p>We will be accepting the following credit cards for payment (check all that apply):</p> <p><input type="checkbox"/> Visa – Fax completed Merchant Setup Form to Wells Fargo (<a href="#">click here to access form</a>).</p> <p><input type="checkbox"/> MasterCard – Fax completed Merchant Setup Form to Wells Fargo (<a href="#">click here to access form</a>).</p> <p><input type="checkbox"/> Discover – Contact Mike Naguera at 1-800-229-0058 extension 564 to obtain merchant number, then email this merchant number to Debra.Morris@firstdata.com.</p> <p><input type="checkbox"/> American Express – Contact Pete Wolney at 1-800-710-9480 to obtain merchant number, then email this merchant number to Debra.Morris@firstdata.com.</p> <p><input type="checkbox"/> Other _____</p>	
6.	Credit card processing and discount fees will be charged to object code 6147.	

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7.	<p>If you are interested in doing business over the Internet contact Dave Fletcher with the State CIO's Office at 538-3310. He will help you determine your agency's needs and ensure that your agency takes advantage of contracts and processes already in place for taking payments over the Internet.</p> <p><input type="checkbox"/> We will be using the Internet for accepting payments. Continue to question #8.</p> <p><input type="checkbox"/> We will not be using the Internet for accepting payments. Skip to question #9.</p>	
8.	<p>If Internet services will be used, determine what fees your department will be responsible for paying based on your service agreement with the Internet service provider. This is usually based on which gateway provider is used and how the responsibility of fees is allotted. There may be a setup fee and then monthly fee for gateway services. There may be maintenance fees to the e-government Internet provider. All of these fees should be recorded to object 6159. There may be a transaction fee per item to the e-government Internet provider that should be recorded to object 6158. There may be an initial development fee which may need to be recorded as a capital/fixed asset. Contact State Finance to determine how to record this initial development fee.</p> <p>Check all that apply:</p> <p><input type="checkbox"/> We will be paying gateway fees and/or maintenance fees and charging them as stated above.</p> <p><input type="checkbox"/> We will be paying transaction fees and recording them as stated above.</p> <p><input type="checkbox"/> We will not be charged any fees for Internet use.</p> <p><input type="checkbox"/> Other _____</p>	
9.	<p>After June 30, 2004 no agency should charge convenience fees to cover the cost of doing business electronically unless they have special approval from GOPB and State Finance. Convenience fees must be charged in accordance with Credit Card Association rules, a copy of which can be provided by State Finance. Convenience fees should be recorded in revenue source 2815.</p> <p><input type="checkbox"/> We will be collecting convenience fees, have received special approval, and will be recording them as stated above.</p> <p><input type="checkbox"/> We will be not be collecting convenience fees.</p>	

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10.	<p>Departments may collect electronic payment fees to cover the cost of doing business electronically if the fees have been included in the budget process and approved by the Legislature and State Finance. Please see the Revenue – Electronic Payment Fees Accounting Policies and Procedures (FIACCT 07-11.00) for more information. Electronic payment fees should be recorded in revenue source 2816.</p> <p><input type="checkbox"/> We will be collecting electronic payment fees, have received all the necessary approvals, and will be recording them as stated above.</p> <p><input type="checkbox"/> We will be not be collecting electronic payment fees.</p>	
11.	<p>Determine how you will be recording the credit card payments in FINET. This affects the reconciliation process. For more detailed information on recording payments and reconciling contact Cynthia Bowers at 538-3126.</p> <p><input type="checkbox"/> Recorded on one cash receipt (CR) per credit card type per daily total. This is the easiest for reconciliation of FINET to the bank statement and is the method recommended by State Finance.</p> <p><input type="checkbox"/> Recorded on a daily CR that includes all types of credit cards (this requires a spreadsheet to be sent to Finance with the bank reconciliation showing the detailed daily amount per credit card type).</p> <p><input type="checkbox"/> Recorded on a monthly CR that includes all types of credit cards (this requires a spreadsheet to be sent to Finance with the bank reconciliation showing the detailed daily amounts per credit card type for each day of the month).</p> <p><input type="checkbox"/> Other, explain.</p> <p>Note: To record the CRs through an interface from a separate system, please contact Ken Roner of the Division of Finance at 538-3796 to schedule testing of this interface.</p>	

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12.	<p>Sign a Contract Merchant Agreement and provide contact information on appropriate letterhead to Wells Fargo Merchant Services, L.L.C. for Visa and MasterCard. This is done through Wells Fargo Merchant Services (Debra Morris, phone number 801-593-8018). A Contract Merchant Agreement is not needed for Discover or American Express.</p> <p>The following items need to be considered in the initial set up process:</p> <p><input type="checkbox"/> The description (one that best describes the transaction) to appear on the consumer's credit card statement is critical so that credit card charges are easily identified by the credit card holder and not questioned and/or disputed. Enter a meaningful description in the <i>Name of Account</i> field on the Merchant Setup Form. Also, be aware that the <i>Customer Service Phone Number</i> on the Merchant Set Form will also appear on the consumer's credit card statement.</p> <p><input type="checkbox"/> Because American Express sometimes credits a net amount (the original credit card payment minus the discount) we have confirmed with them that our account will be given the <u>full</u> amount of credit for each credit card transaction and then be charged the discount on a monthly basis. This will simplify the recording of revenue and credit card fee expense.</p> <p><input type="checkbox"/> Reconciliation of credit card activity usually requires changes to current procedures. These changes should be investigated and determined prior to accepting credit cards. Debra Morris, 801-270-0611, is available to discuss available reports and how they can be used with the reconciliation. Extra reports will cost the state money and should only be used if needed.</p>	
13.	<p>How will credit card information be obtained? (check all that apply)</p> <p><input type="checkbox"/> swiping a credit card  <input type="checkbox"/> phone call  <input type="checkbox"/> mail  <input type="checkbox"/> fax  <input type="checkbox"/> Internet  <input type="checkbox"/> other _____</p>	
14.	<p>Merchant numbers are assigned by the credit card associations and will appear on the bank statement. These numbers identify agencies, divisions, or even specific types of payments for which credit cards are being accepted. Notify the person responsible for reconciling your agency's bank account of what the merchant numbers are and who will be posting the CRs for each merchant number. Please fill in the name of the person who was notified:</p> <p>_____.</p>	
15.	<p>Make sure the bank reconciler gets a copy of the "Procedures for Reconciling Credit Card Receipts Between the Bank and FINET." Contact State Finance at 801-538-3126 to obtain a copy.</p>	